



# BUSINESS PLAN

**By : Kings Build Internet Kingdoms (KBIK)**  
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# OVERVIEW

## Executive Summary

KBIK is an NPO geared towards helping children of low-income parents to be able to afford the necessary supplies for their school-aged years. Our organization creates awareness and raises money in our efforts to combat the socio-economic problems created due to lack of education and actively participates in enabling students to graduate high school. Our group seeks to decrease dropout rates, combat the decreasing education system, and make sure that no child goes without the necessities needed to both attend school and do well.

## Our Mission

Our mission is to make sure each child, regardless of age, sex, race, or socio-economic background, has the necessary supplies and motivation to better themselves through education.



## Objectives

- Provide opportunities for monetary and item charity donations through our website and physical locations.
- Maximize Return On Investment by using are businesses and subsidies to increase our reach while also providing the same service to all students, regardless of background.
- Long Term, to provide educational opportunities to school aged children to continue past high school and learn either a trade or attend a 4-year institution.

## Company Goals

- To provide premium products to medium-to-high income families and reinvest funds to help children of low income families.
- Provide convenient registration, application, and ordering options through our website and office locations.
- Market our products first to the DFW Metroplex area, then to the rest of the United States
- To be a reliable alternative to purchasing full-price products while also providing the same services.



## Company Location & Facilities

We initially plan to have our offices in Downtown Dallas, TX, as it will best serve our purposes due to the history of DISD as a low-income school district. Eventually we plan to extend to the Fort Worth area as well to reach a larger audience. Our business will be largely e-commerce based from the very beginning, as our facility will most likely be used as a warehouse and central office combined to better save money.

The centralization of our offices from the very beginning will help us better serve our customers and keep better inventory and an e-commerce based business will allow us to reach families with lack of transportation all over the metroplex area and, eventually, the rest of Texas and the United States.

## Fundraising Goals & Start-Up Requirements

As a start-up NPO, we plan to invest \$35,000 to cover initial rent expenses, as well as seeking a matching donation from outside donors and filing for federal and state subsidies to assist in our missions. Our initial costs will cover expenses, such as supplier, inventory, computer/internet usage, labor, location of the warehouse, and other miscellaneous expenses. The initial investment will allow us to assist at least 100 families in our first year.

## Company Summary

KBK is a Non-Profit organization founded in January 2013 and is owned by three owners: Steven Deal, James Konderla, and Terah Rubin. KBK was founded to help children in low-income families by collecting both school supplies and clothes.



## Company Ownership

KBIK is a Nonprofit Corporation (NPO) registered out of Texas due to our short-term goals of targeting the Dallas and Fort Worth Independent School Districts. As a Nonprofit Corporation, KBIK will re-invest all non-essential assets into our customers by purchasing supplies to further support and extend our customer base.

As an NPO, KBIK is not publicly traded and is controlled by our three board members: Steven Deal, James Konderla, and Terah Rubin. The board meets every 2 weeks to decide on essential actions for the company's future and, while the board also serves as the current staff for KBIK, the board itself does not make daily decisions on behalf of KBIK, instead deferring these decisions to the CEO.

## Company History

KBIK was founded in January of 2013 by three University of North Texas students: Steven Deal, James Konderla, and Terah Rubin. KBIK was formed both as a class project for Dr. Windsor's E-Commerce course and also as an entity to pursue the common interest shared by it's founders to help supply low income, grade-aged, students with the essentials for successful completion of their academic school year.

As KBIK continues to expand, the three founders look to hand the company off to more experienced hands in order to better serve their customers while also remaining on the board to ensure that their shared vision continues to grow and succeed both in the Dallas-Fort Worth Metroplex and the World!



## Key Success Factors

Our Key Factors of Success include:

- **Market Penetration** – We look to serve 200 low income children our first year but have a goal of 1000+ by our third year.
- **Customer satisfaction** – Because our customers are our primary supplicants financially, we strive to have a 100% customer satisfaction on our purchased products. Nothing less will do!
- **Convenience** - Provide convenient ways to purchase our products online through various methods such as: PayPal or Credit Card and ensure reliable delivery.
- **Build a Base** – We will strive to build a strong customer base in the Dallas/Fort Worth Area in order to poise ourselves for Nation-Wide expansion by our 10<sup>th</sup> year of business.
- **Quality** – We strive to present quality merchandise that will bring customer back again and again to further our purpose of supporting low income families.
- **Maintain Our Brand** – Maintaining Our Premium Product line while also keeping the price low enough to provide justification to customers to purchase at a premium price.





## Products & Services Description

Our products are pre-wrapped school supplies, assembled to match the requirements of our customer's children's schools. Parents will be able to choose their children's school by specifying through a dropdown list of all available schools (at first only DISD schools that publish a school supply list will be used). We will also allow over-the-phone purchasing for families who are unable to pay upfront. In order to qualify for a donation, customers must qualify into certain income brackets, as demonstrated on the IRS website. To order our premium products, whose funds will be re-invested to those who qualify for donations, customers can be of any income level.

From the very beginning, we will customize packages to match either boy or girl designs but in the future we hope to also allow choosing of different kinds of backpacks and clothes through online retailers.



## Technology

Our products will be available for purchase on both our website and over the phone, with the online features allowing the quickest and most convenient assembly and shipping while also minimizing costs.

## Future Product Goals

In the future, as our company expands, we look to begin renting computers to low-income families through the school months. We also hope to be able to host textbook rentals in conjunction with local School Districts to make textbooks available both at school and at home. We also hope to be able to allow customization of packages through participating online retailers.





# Sample Products



PRODUCTS & SERVICES (CONTINUED)

## Our Premium Line

In order to solicit donations while also providing a service, KBIK has solicited the help of several manufacturers, including Walmart and Target, to place our distinct logo on some of their select product lines. Our logo signifies that you have not only purchased a premium product, but have also chosen to purchase this product at a premium price with the expressed intent of helping not only your own child, but other children as well, to have the supplies needed for school.

## Our Logo

### The KBIK Crown means...

- That you care
- That you are willing to help
- That you recognize the role a grade-school education plays in a child's life
- That you give selflessly so that others can succeed



The KBIK Crown



## Target Market & Strategy

KBIK goal is to targeting children K-12 initially in DISD area and then eventually spread to the Fort Worth ISD whose families qualify as low income as defined by the U.S. Census<sup>(6)</sup>. Since 2008, the student census poverty rate has increased 7% and looks only to be increasing. We plan, in conjunction with Dallas ISD, to get the not only the community involved but also people outside the community to get involved with this project. We will communicate with Dallas ISD to know what schools have the highest school poverty in the school district. We also plan on encouraging Dallas businesses, churches and individuals that would have invested interest in donating to a good cause while getting their own name will be recognized. Our organization wants to help ease the burden parents have each school year buying their child school supplies and school related expense. We will do this by targeting middle to upper class families with our sale of premium school supplies and re-investing funds towards the purchase of supplies for low income children. We want to raise the visibility and get our name out there to assure that our organization is not only successful in what we do but also help benefit the children in need.

### Market Needs

- Dallas county individuals is 18.3% below the poverty level, which is higher then the state level (17%).<sup>(3)</sup>
- There seems to be an increasing need to help children get the basic tools needed for success provided for them.
- There is a handful of nonprofit that seem to also be national dedicated to children in need but what we offer is a local personal touch able to know the people we are influencing and helping.

### Market Growth

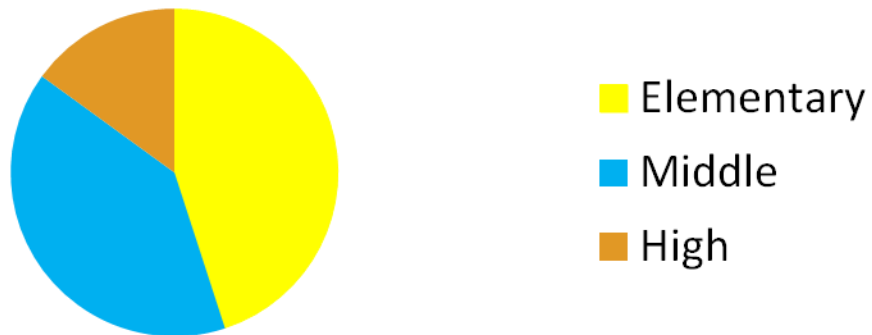
- Educational giving is estimated to have increased 4% (\$38.87 billion) in the North Texas area.
- Educational related activities are the top recipient area for foundations to receive the bulk of grants and contributions.
- There is plenty of opportunity here to get involved into the community and make a positive impact, grow relationships and work with various companies and people not only non-profit but other industries as well.



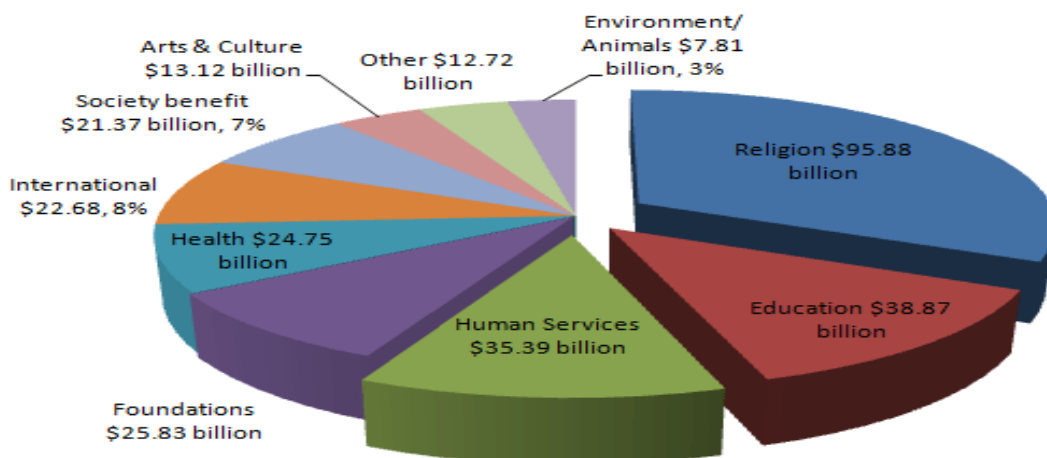
## Market Trends

- Growth of nonprofit sector exceeds both business and government sectors. \*
- There has been an increase of nonprofit organizations since 2008, especially in North Texas by 45.35%.<sup>(1)</sup>
- Public benefit consists of 14% of the nonprofit organizations focus in the North Texas area.
- (2012) 88% if the students qualified for free/reduced-price lunches at school and the trend shows no sign of reversing <sup>(2)</sup>
- We plan on focusing mainly on Elementary and Middle school-aged children but High school kids will be apart of our focus also

## Marketing Analysis



## 2011 Giving by Area



## Distribution Patterns

We will be using a one channel pattern, which involves distribution with one intermediary. This is due to our partnership with a retailer. Since we are buying from a retailer at contracted discount rate we will not have a need for direct contact with the manufacturer. In the future we hope to use success to open a zero channel pattern directly with manufactures in order to offer a larger discount to our families in need.



## Factors of Competition

Our factors are a little different since we are a non profit.

- Our ability to secure volunteers
- Our ability to find new corporate partners that will offer us discount prices on products
- Our ability to secure donations

## Main Competitors

We seem to develop a niche among all the other children non profit organizations. While most other organizations are focusing more on mentoring programs or children with disabilities; we are catering to a heavier school based market where they can succeed in the classroom and have that ability to get those resources.





## Industry Analysis

•KBIK is apart of the non-profit sector. The nonprofit sector in the US is vast and diverse. It includes more than 1.6 million organizations. We are considered a community foundation; which states that these types of foundations pool resources of many donors and focus their grant-making on a particular city or region <sup>(4)</sup>

Common characteristics for community foundations include:

1. A flexible, yet permanent collection of funds supported by a wide range of donors.
2. The relative independence to determine the best use of those funds to meet community needs.
3. A governing board of volunteers, knowledgeable of their community and recognized for their personal involvement in civic affairs.
4. An organizational commitment to provide leadership on pervasive community problems.
5. A commitment to assist donors in creating funds and distributing proceeds in accordance with the donors' intent.
6. Adherence to a sense of community that overrides individual interests and objectives <sup>(5)</sup>



# Business Milestones

## Year 1

- Initial Opening of Dallas Location and Warehousing facility
- Marketing plan kickoff
  - Billboard placement in key market segments, including urban and suburban areas.
  - Advertisements at public facilities, such as parks, YMCA locations, etc.
  - Presence at community events and locations.
- Grow brand image through positive customer feedback and strong community presence.

## Year 2

- Continue to gather momentum from kickoff of the marketing campaign.
- Monitor growth and adjust where needed
- Consider adding product variety by marketing to more families and schools with specialized needs.

## Year 5

- Achieve significant market share allowing the company to expand staffing and warehousing facilities to support more customers.
- Consider introducing computer rental services for low-income families.



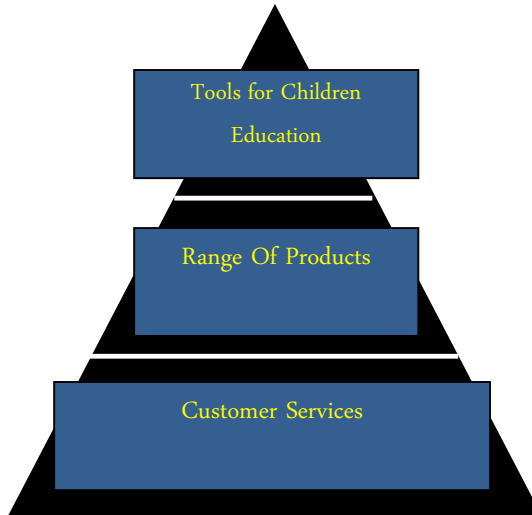




## STRATEGY & IMPLEMENTATION

## Strategy Pyramid

Our strategy at KBIK is to help assist the children with the tools they will need to succeed in their education. Our company will be selling a variety of products such as different styled bags, t-shirts, and hats with the KBIK crown logo. Our goal is to provide the children with the essential tools they will need to be successful; such as spiral, books and with the growth of the company hopefully be able to give laptops for use. We will use the majority of our profits from our sales giving back to our community.



## Value Proposition

KBIK's primary goal is to raise money for the children. When customers buy our products they can know that they are supporting a good cause that benefits the community.



## Competitive Edge

For KBIK, we truly care about the happiness of our customers and want to make sure their experience with us is one that they will never forget. We offer a great and competitive price for our goods compared to our competitors. We also will ensure that whatever product that you receive from our company will it efficiently and safely. Our customized products are catered to our customers and while receiving a quality product, our customers are supporting a great cause in supporting the children in our community.



## Marketing Strategy

Our company's marketing strategy will consist of using known social media sites such as Facebook, Twitter and LinkedIn. Also by word of mouth, advertising at school events, churches, local businesses and state fairs. We will get the KBIK crown customized and recognizable to where you know it is our brand and company. We plan on placing our brand logo on various products as bags, shirts and hats. Our customers will be walking billboards showing off the product giving curiosity to people who see them wearing it. They will be able too talk about the meaning behind the crown. School supplies and other essential necessities will be to help students from K-12<sup>Th</sup>. With our strategy, KBIK will be known in and around the community and eventually spread across the nation.

## Pricing Strategy

The price range for our products will be \$10 to approximately \$45. The lower end of the cost would be the smaller bags, while higher end products would be the hats and sweatshirts. We want the prices of our products to competitive and reasonable but also a great quality.

## Promotion Strategy

Our strategy for getting our name out there by setting up a Twitter account, LinkedIn and Facebook profile page. Plenty of people and companies have social media pages and we feel that we can reach our customers by connecting with them.



## Sales Strategy

Our sales strategy is internet based. Customers will receive quality products with the KBIK brand logo, where they can show off not only a great product but also their philanthropy. We will to provide great service that satisfies customers' needs with accurate orders they will place. The purpose of our company is to be that direct connection from the customer to the community.



## Sales Program

The 1<sup>st</sup> year, KBIK will have the opening of our business and warehouse in the Dallas area. We hope as time goes on and we continue to succeed in the market, we can spread the KBIK brand and benefit at-risk children nationwide. Even as we grow our business, though, KBIK will continue to be an e-commerce based company.

## Sales Forecast

Within the first year, our projected profit will be \$10,000 . KBIK wants to continue steady growth and raise profits to \$35,000 by the fourth year. The increase in sales will be due to our market strategy and implementation and will be continually re-invested in the company and our customers.



# Project Plan

Task Mode ▾	Task Name ▾	Duration ▾	Start ▾	Finish ▾
★	Specify Deliverables	8 days	Thu 1/24/13	Mon 2/4/13
★	Develop Logical Data Model	6 days	Mon 2/4/13	Mon 2/11/13
★	Finalize Business Plan	8 days	Fri 2/8/13	Tue 2/19/13
★	▾ Design Phase	<b>36 days</b>	<b>Mon 2/18/13</b>	<b>Sun 4/7/13</b>
★	▾ Begin Website Design	<b>35 days</b>	<b>Mon 2/18/13</b>	<b>Fri 4/5/13</b>
★	Design Website Navigation	4 days	Wed 2/20/13	Mon 2/25/13
★	Design Website UI	9 days	Mon 2/18/13	Thu 2/28/13
★	Develop Design Documentation	5 days	Wed 2/20/13	Tue 2/26/13
★	Begin Coding Website	35 days	Mon 2/18/13	Fri 4/5/13
★	▾ Video Development	<b>49 days</b>	<b>Sun 2/10/13</b>	<b>Wed 4/17/13</b>
★	Video Idea Generation	16 days	Sun 2/10/13	Fri 3/1/13
★	Begin Video Development	22 days	Sat 3/2/13	Mon 4/1/13
★	Finalize Video	12 days	Tue 4/2/13	Wed 4/17/13
★	▾ Implementation Phase	<b>274 days</b>	<b>Tue 4/10/12</b>	<b>Mon 4/29/13</b>
★	▾ Begin Presentation Development	<b>8 days</b>	<b>Thu 4/18/13</b>	<b>Mon 4/29/13</b>
★	Develop Slides	13 days	Mon 4/1/13	Wed 4/17/13
★	Develop Final Documentation	8 days	Thu 4/18/13	Mon 4/29/13
★	Finalize Website	6 days	Mon 4/22/13	Mon 4/29/13
★?	Finalize Documentation			
★	▾ Presentation of Deliverables	<b>10 days</b>	<b>Wed 4/17/13</b>	<b>Tue 4/30/13</b>
★	In-Class Presentation	1 day	Tue 4/23/13	Tue 4/23/13
★	Turnin of Documentation	1 day	Tue 2/26/13	Tue 2/26/13
★	Turnin of Video and Site Presentation	1 day	Wed 4/17/13	Wed 4/17/13
★	Turnin of Website	1 day	Tue 4/30/13	Tue 4/30/13





## BUDGET AND TIMELINE

## Important Assumptions

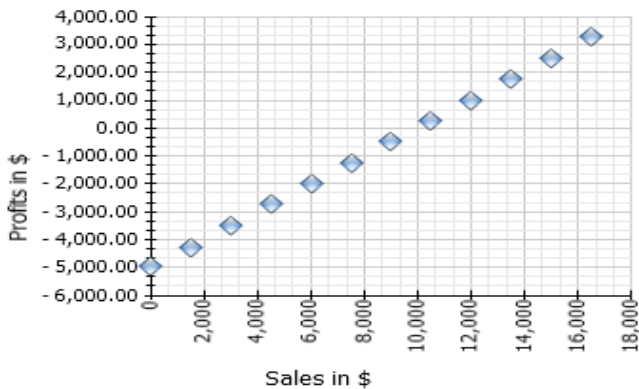
- In order to provide a good bargain to our customers, we will be purchasing school supplies from the local area Target stores, which have agreed to match up to \$500 in school supplies per year while also giving NPO discounts to our company!
- Our supplies will include only essentials as indicated in lists supplied by customers' school-aged children's supply lists.
- First preference for supplies will be given to single parents and families who qualify in the lowest tax bracket, as defined on the IRS website.

## Key Financial Indicators

Ratio of fees received for services to costs of providing services. This indicator shows the extent to which services are subsidized from other resources. This is the same as gross profit in a normal business. In businesses this ratio should normally be greater than one but nonprofit organizations often lose money on every item they sell but they make up the deficit from contributions, grants, and endowment income. This allows the non profit to know how much money needs to be raised.

## Break-Even Analysis

### Your Break Even Results Are:



Monthly Units Break Even = **2000.0**

Monthly Revenue Break Even = \$ **10,000.00**

Based on this model, you will have to sell 2,000 units in a given month in order to break even.

You will have to have sales of at least \$10,000 in order to cover all of your monthly costs.

- Our partnership with Target cuts our cost per item in half. The estimated monthly cost for expenses is \$5000.00. The average price of items sold is \$5.00. Including our discount from our partner the cost is on average \$2.50. Since we are a non profit we need to stay close to our break even of 2000 units sold with \$10,000.00 in revenue each month





## Projected Profit and Loss

A	B	C	D
Revenue Year	Year One	Year Two	Year Three
Sales in Dollars	\$120,000.00	\$120,000.00	\$160,000.00
Operating Expenses	\$ 200.00	\$ 200.00	\$ 200.00
Initial Supplies	\$ -	\$ -	\$ -
Inventory	\$ 60,000.00	\$ 60,000.00	\$ 80,000.00
Payroll	\$ 52,400.00	\$ 52,400.00	\$ 72,400.00
Rent	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Advertising	\$ -	\$ -	\$ -
Utilities	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Insurance	\$ 200.00	\$ 200.00	\$ 200.00
Total	\$120,000.00	\$120,000.00	\$160,000.00
Profit / Loss (-)	\$ -	\$ -	\$ -

### Projected Profit and Loss

- Due to the company being a nonprofit our Profit/Loss should be at or close to zero each year with any extras being re-invested into inventory to serve more customers.

### Long Term Plan

Our long term plan is use our success with a single partner to expand their commitment and entice more corporate partners. This will allow the company to grow and expand. This expansion will allow us to continue to lower the prices of the goods we offer those in need. Continuing to offer these items at lower price points will allow our non profit to not only lessen the burden on those already buying, but also reach those children that currently go without supplies.



## Projected Balance Sheet

Balance Sheet 5 Jan 12	
<b>Assets</b>	
Cash	10000
Accounts Receivable	0
Equipment	0
<b>Total Assets</b>	<b>10000</b>
<b>Liabilities</b>	
Accounts Payable	5616.66
Notes Payable	0
<b>Total Liabilities</b>	<b>617</b>
Fund Balance	0
<b>Total Liabilities and fund Balance</b>	<b>5617</b>

## Business Ratio

Debt Ratio = .56

- (Total Liabilities / Total Assets)
- $5617/10,000 = .56$



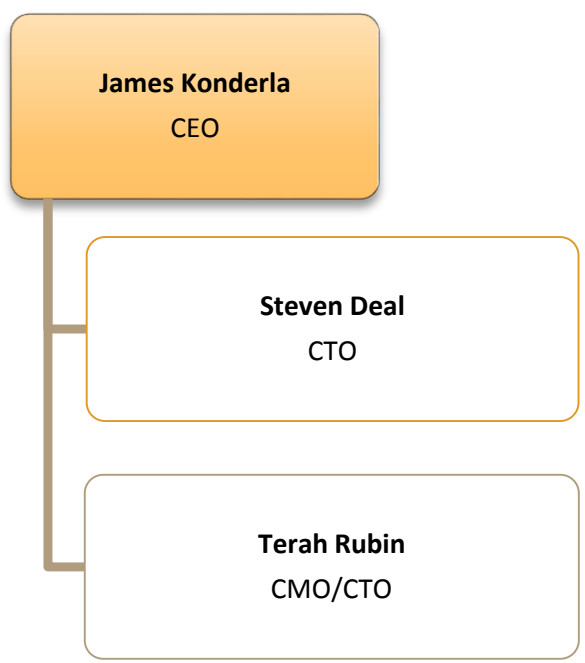


## OUR TEAM AND EXPERIENCE

## Team approach

Our team will divide the tasks of designing the website, advertising, budgeting, and creation of the primary business. We plan to hire on 4-5 other people to fill the resource/knowledge gaps in our team makeup and better facilitate our customers, including:

- Financial Services Support
- Logistics and Warehousing Support
- Marketing Support
- Facilities Maintenance



## James Konderla

Undergraduate Student at the University of North Texas with experience in Database Design, Web Design and Administration, Computer Tech Support (Windows Xp-7 & Server 2000-2008R2), and programming (MySQL, DB2, Java, C++, HTML/XHTML, CSS, JSP, Javascript). James is also a Student Director for the Professional Leadership Program.

## Steven Deal

Senior year BCIS Undergraduate Student at the University of North Texas with experience in MySQL, Java, HTML/XHTML, CSS, JSP, Javascript, and Cobol.

Currently the Development Project Manager at Intemedia in Plano Texas.

## Terah Rubin

Decision Science major with an emphasis in Information Systems at the University of North Texas. Experience in Java programming, SAS Enterprise Miner and Web design . Terah is the Secretary of the UNT student chapter of I.N.F.O.R.M.S. and holds other memberships in various organizations such as UNICEF, Women in Business and Association of Information Systems.



## References

- (1) "Resources Library." *Resources Library*. Center for Nonprofit Management, in Partnership with the Conference of Southwest Foundations, 2012. Web. 08 Feb. 2013.
- (2) <http://www.dallasnews.com/opinion/editorials/20120210-editorial-povertys-role-in-disd-reform.ece>
- (3) <http://quickfacts.census.gov/qfd/states/48/48113.html>
- (4) <http://www.boardsource.org/Knowledge.asp?ID=3.377>
- (5) <http://www.cedarparkcommunityfoundation.org/foundation/traits/>
- (6) <https://www.census.gov/hhes/www/poverty/data/threshld/index.html>

